

Senate Bill 167

By: Senators Rogers of the 21st, Hudgens of the 47th, Stephens of the 27th and Stoner of the 6th

AS PASSED

AN ACT

To amend Code Section 33-31-9 of the Official Code of Georgia Annotated, relating to refunds and credits of credit life insurance premiums, so as to provide that the insured shall notify the credit life insurer upon the early payoff of the indebtedness; to provide for certain notices; to provide for related matters; to provide for legislative intent; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Code Section 33-31-9 of the Official Code of Georgia Annotated, relating to refunds and credits of credit life insurance premiums, is amended by striking subsection (c) and inserting in lieu thereof a new subsection (c) to read as follows:

(c) Each individual policy, notice of proposed insurance, or group certificate of credit life insurance and credit accident and sickness insurance shall provide that, in the event of termination of the insurance prior to the scheduled maturity date of the indebtedness, any refund of premium due shall be calculated as of the date the indebtedness terminated and be paid or credited promptly to the person entitled to such refund; provided, however, that the Commissioner shall prescribe a minimum refund and no refund which would be less than such minimum need be made. The formula to be used in computing a refund shall be filed with and approved by the Commissioner. It shall be the obligation of the insured to notify the insurer of the early payoff of the indebtedness which is covered by the insurance.

(c.1) Each individual policy, notice of proposed insurance, or group certificate of credit life insurance and credit accident and sickness insurance issued after this subsection becomes effective shall provide a notice on the face of such policy, notice, or certificate in at least 10 point type that it is the obligation of the insured to notify the insurer of any early payoff of the indebtedness which is covered by the insurance.

SECTION 2.

This Act is declaratory of existing law and is only intended to clarify such law. The passage of this Act shall not create any implication that any change in existing law is effected.

SECTION 3.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 4.

All laws and parts of laws in conflict with this Act are repealed.